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PetroAsian Energy Holdings Limited

中亞能源控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 850 & Warrants: 0344)

UNUSUAL SHARE PRICE AND TRADING VOLUME MOVEMENTS

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

We have noted the recent increase in the price of and trading volume of the shares of PetroAsian Energy Holdings Limited (the “**Company**”) today and wish to state that we are not aware of any reasons for such increase save as, as previously disclosed in 17 December 2008, the Company is continuously negotiating with two potential partners being listed in Europe for a potential acquisition of a majority stake in the participating interest for the exploration and exploitation rights in a oil and gas project in Tunisia, North Africa, with a total area of approximately 5,609 square kilometres. The Company had been interviewed by the relevant Oil Ministries of Tunisia and is now conducting technical, legal and financial due diligence for the potential acquisition.

We emphasize that there is no legally-binding agreement in any form has been entered into by the Company in this regard. The Company will comply with the provision of the Listing Rules to make timely disclosure in the event the potential acquisition materializes.

Save as disclosed above, we confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), neither is the board of directors (the “**Board**”) aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

By order of the Board
PetroAsian Energy Holdings Limited
Poon Sum
Chairman

Hong Kong, 3 February 2009

As at the date of this statement, the Board comprises (i) three executive directors, namely Mr. Poon Sum, Mr. Wong Kwok Leung and Mr. Poon Wai Kong; (ii) one non-executive director, Mr. Chen Lizhong; (iii) three independent non-executive directors, namely Mr Chan Kam Ching, Paul, Mr. Chan Shu Kin and Cheung Kwan Hung.